

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 11932 041234Z

53

ACTION NEA-10

INFO OCT-01 ISO-00 L-03 H-02 PA-01 PRS-01 USIA-06 EB-07

CIAE-00 INR-07 NSAE-00 COME-00 TRSE-00 /038 W

----- 091361

R 040908Z SEP 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 1013

INFO AMCONGEN BOMBAY

CALCUTTA AMCONGEN 5548

AMCONGEN MADRAS

LIMITED OFFICIAL USE NEW DELHI 11932

E.O. 11652: N/A

TAGS: BEXP, IN

SUBJECT: CALTEX DIFFICULTIES IN INDIA

REF: NEW DELHI 11236

1. ECONOMIC COUNSELOR CALLED ON MINISTRY OF PETROLEUM AND CHEMICALS JOINT SECRETARY RAMASWAMY SEPTEMBER 3 TO REVIEW GOI THINKING ON CALTEX'S NEGOTIATIONS. OBJECTIVELY, OF MEETING WAS TO INDICATE USG INTEREST IN PROBLEM IN ORDER TO SET STAGE FOR POSSIBLE AMBASSADORIAL INTERVENTION AT LATER STAGE.

2. PRINCIPAL POINTS MADE BY RAMASWAMY FOLLOW:

A. GOI HAD NEVER TAKEN THE POSITION THAT NEGOTIATION WITH CALTEX MUST WAIT COMPLETION WITH NEGOTIATIONS WITH BURMAH-SHELL. GOI WAS PREPARED TO ENTER INTO NEGOTIATIONS WITH CALTEX AT ANY TIME ONCE INFORMATION REQUESTED EARLIER THIS YEAR (SEE REFTEL) AS PROVIDED.

B. GOI WAS FULLY AWARE OF CALTEX'S CONCERN ABOUT CURRENT OPERATING LOSSES. DURING NEXT TWO WEEKS MEETINGS SCHEDULED UNDER GOI SPONSORSHIP WOULD PRESENT OPPORTUNITY

LIMITED OFFICIAL USE

PAGE 02 NEW DE 11932 041234Z

FOR CALTEX TO PRESENT TECHNICAL DATA JUSTIFYING PRICE OR

POOL CHANGES WHICH WOULD PUT CALTEX IN THE BLACK.

C. RAMASWAMY STRONGLY URGED THAT CALTEX COOPERATE AND DISCUSS IN ADVANCE WITH GOI ANY PROPOSED SALE OF MOVEABLE ASSETS OR CHANGES IN EMPLOYMENT PATTERN. RAMASWAMY PROMISED SPEEDY REPLIES NOTING THAT HE COULD TAKE ACTION ON SUCH PROBLEMS WITHIN A MATTER OF HOURS. ANY SUBSTANTIAL RETRENCHMENT OR SALE OF ASSETS WAS BOUND TO HAVE POLITICAL REPERCUSSIONS AND SOUR THE ATMOSPHERE FOR THE FORTHCOMING NEGOTIATIONS WITH CALTEX.

D. RAMASWAMY CONTINUALLY STRESSED THAT GOI WAS INTERESTED IN A MUTUALLY SATISFACTORY AGREEMENT WITH CALTEX. PATTERN OF NEGOTIATIONS HAD IN EFFECT BEEN SET BY GOI-EXON NEGOTIATIONS AND WOULD FOLLOW THESE BROAD GUIDELINES. GOI, HOWEVER, WAS PREPARED TO VARY THE PATTERN TO INDIVIDUAL COMPANY NEEDS.

3. RAMASWAMY STATED THAT NEGOTIATIONS WITH BURMAH-SHELL WERE IN FINAL STAGES AND THAT GOI HOPED TO REACH FORMAL AGREEMENT WITH BURMAH-SHELL DELEGATION SCHEDULED TO VISIT INDIA IN ONE WEEK. HE ASKED THAT THIS INFORMATION NOT BE PASSED TO CALTEX.

4. CONGEN BMBAY MAY WISH TO PASS ON SUBSTANCE OF PARAGRAPHS 1-2 TO LEVENHAGEN. YOU MAY CONFIRM THAT LEVENHAGEN HAS APPOINTMENT WITH AMBASSADOR FOR 11:30 AM ON SEPTEMBER 9.

5. COMMENT: WE CONTINUE TO BELIEVE THAT THERE IS NO NEED FOR FURTHER USG INTERVENTION IN CALTEX NEGOTIATIONS AT THIS POINT. AT PRESENT CALTEX ITSELF IS HOLDING UP THE NEGOTIATIONS DUE TO ITS DELAY IN PRESENTING DATA. ONCE NEGOTIATIONS ACTUALLY BEGIN, WE SHALL SEE WHETHER GOI IS PREPARED TO LIVE UP TO ITS REPEATED STATEMENTS OF GOOD FAITH BARGAINING.
SAXBE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NEWDE11932
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750305-1067
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750984/aaaacwhx.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 NEW DELHI 11236
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 18 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 AUG 2003 by ElyME>; APPROVED <25 NOV 2003 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CALTEX DIFFICULTIES IN INDIA
TAGS: BEXP, IN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006